

KENTUCKY WORKFORCE INVESTMENT BOARD (KWIB)

February 13, 2007

Berry Hill Mansion Music Room Frankfort, Kentucky



Kentucky Workforce Investment Board

Jerry E. Abramson Lisa L. Araya Sharon K. Bird **Charlie Borders** George A. Burkley, Chair **Larry Clark** Don R. Doty **Ted Edmonds Andrew Frauenhoffer Trey Grayson Dixie Hamblin Kimberly Black Maffet** Bill W. May Michael B. McCall Vernie McGaha William R. Parson, Jr. James E. Shane Michael L. Simpson Nancy A. Spivey **Susan Stout Tamme**

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Travel Directions:

- From east or west I 64, take exit 53B to Frankfort.
- Follow U.S. 127 South to the intersection with U.S. 60, the Louisville Road.
- Turn right on U.S. 60, the Louisville Road.
- Berry Hill Drive, which leads to the Berry Mansion, is on the left shortly after Juniper Hills Park and the stoplight at the intersection of Louisville Road and Leawood Drive.
- (If you reach either the Capitol or the look-out point above the Capitol, you have gone too far.)

KENTUCKY WORKFORCE INVESTMENT BOARD

February 13, 2007, 10:00 a.m. Berry Hill Mansion Music Room Frankfort, Kentucky

AGENDA

BUSINESS MEETING (10:00 a.m.)

- **1. Call to Order** George Burkley
 - A. Roll Call
 - B. Establishment of Quorum
 - C. Chair's Welcome and Other Comments
 - U.S. Department of Labor, Employment and Training Administration
 - Andrew Gill, Chief, Division of Workforce Investment, Office of State Systems
 - Terri L. Lonowski, Federal Project Officer

II. Action Items

- D. Approval of KWIB November 14, 2006, Meeting Minutes
- E. Committee Reports
 - Access Committee
 - Accountability Committee
 - Alignment Committee
 - Awareness Committee

III. Other Business

Panel Discussion: Strategic Workforce Partner Initiatives

Dave Adkisson, President and Chief Executive Officer, Kentucky Chamber of Commerce

Dr. Keith Bird, Chancellor, Kentucky Community and Technical College System (KCTCS)

Deborah Clayton, Commissioner, Department of Commercialization and Innovation (DCI), Economic Development Cabinet

Rodney Kelley, Director, Career and Technical Education, Kentucky Department of Education

Beth Smith, Commissioner, Department for Workforce Investment, Education Cabinet

IV. Adjournment

KENTUCKY WORKFORCE INVESTMENT BOARD

November 14, 2006, Minutes

Berry Hill Mansion Music Room 700 Louisville Road Frankfort, Kentucky

I. Call to Order

Mr. George Burkley, Chair, Kentucky Workforce Investment Board (KWIB), called the meeting to order at 10:10 a.m.

A. New Member Swearing-in

Representative Ted Edmonds was sworn in by Franklin County Circuit Judge Sam McNamara.

B. Roll Call

The following members were present: Ms. Lisa Araya, Mr. George Burkley, Mr. Don Doty, Representative Ted Edmonds, Executive Director Andrew Frauenhoffer, Secretary of State Trey Grayson, Ms. Lora Hawkins as proxy for Representative Larry Clark, Ms. Kimberly Maffet, Senator Vernie McGaha, Mr. Bill Parson, (Retired) General James Shane, Ms. Nancy Spivey, and Ms. Sue Tamme.

The following members were absent: Mayor Jerry Abramson, Ms. Sharon Bird, Senator Charlie Borders, Ms. Dixie Hamblin, Judge/Executive Bill May, Dr. Michael McCall, and. Mr. Michael Simpson,

C. Establishment of Quorum

Of 20 members, a quorum of 11 members was surpassed with 12 members plus one proxy present.

D. Comments

Mr. Burkley noted the following:

- Beth Smith, Department for Workforce Investment Commissioner, plans to regularly attend KWIB meetings and to engage with the board. She expects to attend the February 2007 meeting and will participate in a multi-agency panel discussion.
- The USDOL sponsored meeting he and Elizabeth Hack attended in late August provided information regarding anticipated changes to the design of the local workforce investment boards; that driving principles include regionalism, publicprivate partnerships, and talent development; the need to evolve better ways for the delivery of services; that career advancement accounts are still under consideration; and that WIA reauthorization is currently not moving forward.
- Jeff Mosley, from the Office for Legal Services, is working with him regarding the possibility of conference-call committee meetings. The current understanding is that they are allowed. If this proves to be correct, appropriate protocol will be developed and submitted to KWIB members.

- He (Mr. Burkley) is working with new members to identify their interests and assign them to the appropriate committees.
- He plans to have the committees receive detailed reports on various issues with summary reports being presented to the full KWIB by the committee chairs.

Elizabeth Hack presented the 2005 Annual Reports, proxy forms for 2007 KWIB meetings, and an updated member address list. She reported that Kentucky was not awarded a Sector Strategies grant because of a lack of adequate specificity in the Kentucky proposal although the Kentucky proposal was highly complemented.

II. Action Items

A. <u>Approval of Minutes</u>

The minutes of the August 8, 2006, KWIB meeting were approved as presented. Motion by Senator McGaha; seconded by Secretary of State Trey Grayson. There was no opposition.

III. Committee Reports

A. Access Committee:

Access Committee Chair, Nancy Spivey, gave a report on their meeting held earlier that morning, summarizing reports regarding the following:

- Kentucky's E³ (education, employment, and economic development) initiatives include five focus group meetings and two usability groups that are providing opportunities for employer input into the system. Unfortunately, the E³ demonstration had to be postponed due to technical problems with the Berry Hill wiring.
- The WIA (Workforce Investment Act) Report Reauthorization is currently stalled. A planned pre-conference with both houses on the faith based initiative and funding streams has not occurred. Appropriations for 2007 will be reduced because of losses from the previous year.
- The USDOL is focusing on the WIRED concept in the proposed changes to the state plan. They have implemented a Google-type search function on key words in the state plan as a means for evaluating plans.
- Wage information is to be USDOL directed rather than having NASWA responsible as it has been in the past.
- Rapid Response responsibilities will shift to the local areas. Training is being provided and local plans are being developed.
- Beginning in July 2007, K-Tap and TANF will no longer be coordinated by OET.
- James Inman is now the Division Director for Unemployment Insurance, leaving a vacancy in the Division for Workforce and Employment Services.
- New legislation regarding Perkins calls for a new state plan by July 2007. A state leadership team and a steering committee have been formed. The state may either develop a transition plan or a six year plan. At this time the transition plan is preferred because of an initial April 2007 deadline. Tech Prep, which has multiple performance measures, may be moved into Perkins. This could lead to changes in the funding percentage breakdown while providing greater flexibility.

Change in the percentage of funding for secondary training versus post-secondary training could also result.

- KWIB members were encouraged to visit local one stops by the Access Committee and KWIB Chair, Mr. Burkley. KWIB member Secretary of State Trey Grayson reported that his visit to a local one stop had been very informative and helpful in broadening his understanding of their activities and programs.
- BRAC sub-committees have been formed, one of which is Workforce, which will be chaired by Commissioner Beth Smith. At the sub-committee's first meeting, a mission statement was developed. The committee will focus on two skill sets, construction and IT, and will participate in developing the E³ system to identify individuals who have credentials to meet specific needs. It was also noted that illegal immigrants are applying for work at Fort Knox, raising the need for ways to deal with this issue as well as for providing information about how to obtain valid credentials.

B. Accountability Committee:

George Burkley chaired the recent Accountability Committee meeting in the unexpected absence of the Chair, Kimberly Maffet. In his report he noted the following:

- WIA federal standards updates have been received. Kentucky reached most, if not all, of its standards in the most recent quarter and exceeded all WIA performance measures for Program Year 2005.
- National standards for Perkins programs are anticipated.
- A display of key measures had been requested from OET's Research and Statistics Branch to portray state progress. In addition to the information in the agenda packet (page 25 and following), graphics will be developed to more readily display progress. This project is in its early stages; continued development is planned.
- C. <u>Alignment Committee</u>: A report was not given.
- D. <u>Awareness Committee</u>: A report was not given.

IV. Other Business

A. BRAC

General James Shane (Retired) presented information about the BRAC initiative (handouts attached), noting the following:

- appreciation to the KWIB for its interest in BRAC,
- the anticipated 2011 completion date,
- appreciation for Sherry Johnson's role at the local level,
- that the BRAC Commission will continue to monitor BRAC-related funding to ensure that Kentucky's interests are attended to,
- additional surveys will be taken regarding the number of civilian and military personnel who anticipate moving to Kentucky as a result of the BRAC initiatives,
- that BRAC is truly good news for Kentucky,
- the excellent community and political non-partisan participation,
- an anticipated \$20-25 million increase in Kentucky's tax revenue base,

- the Education Cabinet is working to ensure that the initial impression of Kentucky's schools is positive, and
- that local contractors are primarily being used.

Sherry Johnson provided an additional handout (attached), noting that multiple communities will be impacted by BRAC-related changes and development. Andrew Frauenhoffer reported that dialogue has been underway since July 2006 with UPS as well as with BRAC regarding employment opportunities anticipated as a result of the planned UPS expansion.

B. Labor Market Information (LMI)

Carlos Cracraft called attention of the KWIB members to a report of the previous year's accomplishments by the Research and Statistics Branch (agenda book pages 11-16) and to its July 2006-June 2007 year plan (agenda book pages 17-24). He noted the importance of getting information about growth industries into the hands of high school students and counselors, pointing out that the ten-year projections are updated every two years at the statewide level. He spoke regarding various segments of the plan and the reports that his Branch had compiled for the Accountability Committee. In addition, he referenced maps distributed to KWIB members (not in the agenda packet), indicating that these are initial endeavors that will continue to be fine tuned to provide more readily understood data. Several members expressed interest in the data presentations and the implications. It was noted that there appears to be a disconnect between data analysis and various industry sectors.

V. <u>2007 Meetings</u>

The following dates were set for the 2007 KWIB meetings: February 13, May 8, August 14, and November 13. The KWIB meetings will be held from 10:00 a.m. – 12:00 noon on those dates.

VI. Adjournment

The meeting was adjourned at 11:45 a.m. by the Chair's proclamation.

<u>Change</u>

Same Period

Most Recent Period (4th Qtr. 2006 unless

otherwise indicated)

One Year Prior (4th Qtr. 2005 unless

otherwise incidated)

Comments

Employment and Unemployment

Kentucky Unemployment Rate (1)	5.3%	6.4%	- 1.1%	Kentucky unemployment rate above the U.S. unemployment
U. S. Unemployment Rate (1)	4.5%	4.9%	- 0.4%	rate for the past 24 months
Kentuckians Employed (1)	1,946,135	1,882,941	+ 63,194	Kentucky residents (may or may not work in KY.)
Total Nonfarm Employment (1)	1,846,100	1,834,400	+ 11,700 (0.6%)	Wage and Salary Workers Working in Kentucky
Goods Producing Employment (1)	366,000	370,600	- 4,600 (1.2%)	Average Annual Pay 2005: \$42,295
Natural Resources and Mining (1)	23,500	22,300	+ 1,200 (5.4%)	Average Annual Pay 2005: \$45,629
Construction (1)	87,500	85,700	+ 1,800 (2.1%)	Average Annual Pay 2005: \$35,755
Manufacturing (1)	255,000	262,600	- 7,600 (2.9%)	Average Annual Pay 2005: \$44,038
Service Providing Employment (1)	1,480,100	1,463,800	+ 16,300 (1.1%)	Average Annual Pay 2005: \$31,710
Trade, Transportation, & Utilities (1)	382,500	379,800	+ 2,700 (0.7%)	Average Annual Pay 2005: \$31,477
Information (1)	29,200	29,300	- 100 (0.3%)	Average Annual Pay 2005: \$38,630
Financial Activities (1)	88,100	87,500	+ 600 (0.7%)	Average Annual Pay 2005: \$43,355
Professional & Business Servs. (1)	177,600	174,500	+ 3,100 (1.8%)	Average Annual Pay 2005: \$35,403
Educational and Health Services (1)	241,100	236,300	+ 4,800 (2.1%)	Average Annual Pay 2005: \$34,672
Leisure and Hospitality (1)	170,400	166,200	+ 4,200 (+2.5%)	Average Annual Pay 2005: \$12,976
Other Services (1)	76,000	77,000	- 1,000 (1.3%)	Average Annual Pay 2005: \$23,963
Government & Public Education (1)	315,200	313,200	+ 2,000 (0.6%)	Average Annual Pay 2005: \$35,107
Kentuckians Unemployed (1)	108,456	128,934	- 20,478	Typically, 20% to 33% of the unemployed are receiving
Number Receiving UI (1)	30,675	26,664	+ 4,011	Unemployment Insurance benefits
III Initial Olaina (4)	07.454	00.005	. 0.700	Data is far Albaniantes a consultation bank as on the
UI Initial Claims (1)	37,151	28,385	+ 8,766	Data is for 4th quarter usually high layoff months
UI Covered Jobs (Over 10 Years) (1)	1.757.678	1,588,571	+ 169,107 (11%)	"Net" job growth over past ten years (1995 to 2005)
Eastern Kentucky (43 counties) (1)	291,438	270,196	+ 21,242 (8%)	1.Laurel Co.: + 4,897; 2. Pulaski Co.: + 3,770
Western Kentucky (44 counties) (1)	440,740	409,446	+ 31,294 (8%)	1.Warren Co.: + 11,173; 2. Hardin Co.: + 7,137
Louisville Area (9 counties) (1)	490,644	460,837	+ 29,807 (6%)	1.Jefferson Co.: + 18,210; 2. Bullitt Co.: + 3,080
Northern Kentucky (9 counties) (1)	186,535	143,133	+ 43,402 (30%)	1.Boone Co.: + 23,303; 2. Kenton Co.: + 11,528
Central Kentucky (15 counties) (1)	348,321	304,959	+ 43,362 (14%)	1.Fayette Co.: + 15,172; 2. Madison Co.: + 6,582

Sources of data:

⁽¹⁾ Office of Employment & Training; (2) U.S. Census Bureau; (3) Bureau of Economic Analysis; (4) Office of State Budget Director; (5) American Community Survey

<u>Change</u>

Comments

Same Period

Most Recent One Year

Period Prior

Wages and Income

rcent to 84 percent of the National average wage
wage
nties in the United States, Kentucky has 12
nties that are in the lowest 100.
dian Household Income is \$44,334
erty has increased four consecutive years
entage of Persons in Poverty is 12.7%
ge for this Age Group is 4.4% over U.S.

Business Indicators

# of Employers (3rd Qtr. 2006/2005) (1)	84,821	84,942	- 121	Counts multi-employers (ex. Wal-Mart) as single unit
# of Establishments (3rd Qtr. 06/05) (1)	110,709	106,689	+ 4,020	Counts multi-employers (ex. Wal-Mart) by locations
Mass Layoff All Events (1)	313	317	- 4	Temporary and Permanent Layoffs (Oct Sept.)
Workers Affected (1)	48,382	49,407	- 1,025	Temporary and Permanent Layoffs (Oct Sept.)
Extended Mass Layoff Events (1)	75	75	+/- 0	Permanent Layoffs (Oct Sept.)
Workers Affected (1)	8,399	8,835	- 436	Permanent Layoffs (Oct Sept.)
WARN Notices Filed in 2006/2005 (1)	47	37	+ 10	The State Rapid Response Team provides early intervention
Workers Affected (1)	5,454	5,836	- 382	to businesses and workers affected by these layoffs and plant
WARN Notices-Manufacturing (1)	19	21	- 2	
Workers Affected-Manufacturing (1)	2,327	2,996	- 669	closings. http://oet.ky.gov/rresponse/rapidresponse.htm
Average Tax Receipts Per Month (4)	\$684,827,257	\$667,912,368	+ 2.5%	General Fund (July-December 2006/2005)
Average Tax Receipts Per Month (4)	\$94,850,028	\$92,393,477	+ 2.7%	Road Fund (July-December 2006/2005)

Sources of data:

(1) Office of Employment & Training; (2) U.S. Census Bureau; (3) Bureau of Economic Analysis; (4) Office of State Budget Director; (5) American Community Survey

Same Period Most Recent One Year Period **Prior** Comments Change **Demographics** Population 2006/2005 (2) 4,206,074 4,172,608 + 33,466 Growth has averaged 26,000 per year past 6 years Education High School & Above 05/04 (5) 2,145,122 2,088,898 + 56,224 U.S. Percentage is 84.2% Percentage of Adult Population (5) 79.0% 77.6% + 1.4% Bachelor's Degree and Above 05/04 (5) 523,855 512,431 + 11,424 Percentage of Adult Population (5) 19.3% 19.0% U.S. Percentage is 27.2% + 0.3%

OET/WIA Participants Count

Total Participants (1)	267,363	275,455	- 8,092	July 2005 to June 2006/July 2004 to June 2005
Male (1)	150,187	152,338	- 2,151	, i
Female (1)	112,170	118,218	- 6,048	
Gender not denoted (1)	5,006	4,899	+ 107	
Adults (18 and over) (1)	265,182	261,240	Not comparable	18 and over used for PY 2006; 19 and over used for 2005
Age 18-44 (1)	197,148	196,869	Not comparable	18-44 used for PY 2006; 19-44 used for PY 2005
Age 45-54 (1)	42,593	42,607	- 14	
Age 55 and over (1)	21,468	21,764	- 296	
Age not denoted (1)	3,973	0	+ 3,973	
Youth (Age 17 and under) (1)	2,181	10,115	- 7,934	DOL's emphasis on serving out of school youth
Vets, Eligs and TSM (1)	29,526	28,083	+ 1,443	Veterans, Other Eligible, and Transitioning Service Men
Migrant, Seasonal Farm Workers (1)	58	29	+ 29	
Interstate (1)	3,900	5,744	- 1,874	Residents of other states

Sources of data:

(1) Office of Employment & Training; (2) U.S. Census Bureau; (3) Bureau of Economic Analysis; (4) Office of State Budget Director; (5) American Community Survey

Definitions

Unemployment Rate: The unemployment rate represents the number unemployed as a percent of the labor force.

Employed: Persons 16 years and over in the civilian noninstitutional population who, during the reference week, (a) did any work at all (at least 1 hour) as paid employees; worked in their own business, profession, or on their own farm, or worked 15 hours or more as unpaid workers in an enterprise operated by a member of the family; and (b) all those not working but had jobs or businesses from which they were temporarily absent because of vacation, illness, bad weather, childcare problems, maternity or paternity leave, labor-management dispute, job training, or other family or personal reasons, whether or not they were paid for the time off or or were seeking other jobs.

Nonfarm Employment: Persons on establishment payrolls who receive pay for any part of the pay period which includes the 12th of the month. Persons are counted at their place of work rather than at their place of residence; those appearing on more than one payroll are counted on each payroll.

Goods Producing Employment: Includes employment in manufacturing, construction, natural resources and mining industries

Natural Resources and Mining Employment: Includes crop production, animal production, forestry and logging, coal mining, oil and gas extraction, and ore mining.

Construction Employment: Includes construction of buildings, heavy and civil ingineering construction, & specialty trade (electrical, roofing, plumbing, etc.) contractors.

Manufacturing Employment: Establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new **products**.

Service Providing Employment: Includes employment in trade, transportation, and utilities; information; financial activities; professional and business services; education and health services; leisure and hospitality; other services; government.

Trade, Transportation, and Utilities Employment: Includes employment in wholesale trade, retail trade, transportation and warehousing, and utilities.

Information: Includes employment in publishing industries, motion picture & sound recording industries, broadcasting, telecommunications, & Internet service providers.

Financial Activities: Includes employment in banking, credit intermediation, securities and commodities, insurance carriers, funds and trusts, real estate, and rental and leasing.

Professional and Business Services: Includes employment in legal, accounting, architectural, computer design, and advertising services, management of companies and enterprises, administrative and support services (including temporary employment agencies), and waste management and remediation services.

Educational and Health Services: Includes employment in private schools and other instructional facilities, physicians, dentists, labs, hospitals, nursing and residential care facilities, and social assistance.

Definitions

Leisure and Health Services: Includes employment in theater companies, spectator sports, museums, amusement parks, golf courses, hotels, restaurants, fast food establishments, and drinking places.

Other Services: Includes employment in automotive repair and maintenance places, personal and household goods repair and maintenance places, barber/beauty shops, funeral homes, drycleaning and laundry services, religious organizations, civic and professional organizations, and private household workers.

Government and Public Education Employment: Includes employment in public administration (general federal, state, and local government), courts, police/fire protection, U.S. postal services, public elementary and secondary schools, public college and universities, and any other publically owned entity (utility service, hospital, etc.)

Unemployed: Persons aged 16 years and older who had no employment during the reference week, were available for work, except for temporary illness, and had made specific efforts to find employment sometime during the 4-week period ending with the reference week. Persons who were waiting to be recalled to a job from which they had been laid off need not have been looking for work to be classified as unemployed.

Number Receiving UI: Number of persons receiving Unemployment Insurance benefits paid to eligible workers who become unemployed through no fault of their own, and meet certain other eligibility requirements.

UI Initial Claims: The number of first-time unemployment insurance benefits claims. Movements in the number of workers filing for initial claims are followed closely by economists who consider initial claims activity to be an excellent indicator of the strength of the job market.

UI Covered Jobs: Employment for workers covered by State unemployment insurance (UI) laws and Federal workers covered by the Unemployment Compensation for Federal Employees (UCFE) program. A majority of jobs (92%+) are with employers covered under unemployment insurance laws. The primary jobs not covered under UI are self-employed persons and those persons working in nonprofit establishments.

Population: The total number of inhabitants occupying an area.

Education High School and Above: Individuals aged 25 and above who have earned at least a high school (or equilivant) education.

Bachelor's Degree and Above: Individuals aged 25 and above who have earned bachelor's degee or higher level of education.

Average Annual Pay: The Calendar Year average annual pay for all workers covered under state or federal unemployment insurance jobs.

Total Personal Income: Sum of (1) Wages and salaries and supplements to wages and salaries; (2) Proprietors' income, dividends, interest, and rent; and (3) Personal current transfer payments. This includes all reported income.

Per Capita Personal Income: Calculated as the total personal income of residents of a given area divided by the resident population of that area.

Median Household Income: Calculated as the middle household income of all households (total income divided by total households).

Definitions

Persons Living in Poverty: The number of persons living below the assigned poverty thresholds as pertains to income.

Percent of Persons in Poverty: Calculated as the total number of residents of a given area living in poverty divided by the resident population of that area.

Number of Employers: Total number of employers covered under state or federal unemployment insurance (UI) laws. This data series counts multi-establishment employers (example -- Wal-Mart) as a single employer.

Number of Establishments: Total number of employers covered under state or federal unemployment insurance (UI) laws. This data series counts multi-establishment employers (example -- Wal-Mart) as separate (multiple) employers based on their number of locations.

Mass Layoff Events: Potential layoff activity based on 50 or more initial UI claims filed against an employer within a 5 week moving period prior to employer contact and regardless of duration.

Extended Mass Layoff Events: A layoff activity that has been confirmed by the employer as having lasted more than thirty days involving at least 50 employees.

WARN Notices: Employer notifications the State Rapid Response team receives pursuant to the Worker Adjustment and Retraining Notification (WARN) Act (20 CFR 639). In most cases, a Rapid Response team member coordinates on-site services involving dislocated workers, employers, the community, and other local workforce investment area resources and services available to help the employer manage the layoff and identify the specific needs of the affected employees.

Tax Receipts from the General and Road Fund: Revenue received by the Commonwealth of Kentucky as published by the Office of the State Budget Director.

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